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December 1, 2016

VIA, ELECTRONIC FILING

The Honorable Jocelyn Boyd
Chief Clerk and Administrator
The Public Service Commission of South Carolina
101 Executive Center Drive
Columbia, South Carolina 29210

Re: • **Docket Number 2015-362-E**
• **Responsive Comments**

Dear Ms. Boyd:

Enclosed, please find the following to be filed in the above-referenced Docket,
Responsive Comments, Coversheet and Certificate of Service.

All parties of record have been served. Please notify the undersigned if you there is
anything else you may need.

Respectfully Submitted,

TFR/cas

/S/_____
Timothy F. Rogers

Introduction

Pursuant to Commission Order No. 2016-658, a Notice of Workshop was issued on September 28, 2016 and an Amended Notice of Workshop was issued on September 29, 2016. The South Carolina Solar Business Alliance (hereinafter as, "SCSBA"), submits the following comments in response to the Direct Statements filed by South Carolina Electric & Gas, Duke Energy Carolinas, LLC and Duke Energy Progress, LLC regarding their progress in meeting the requirements of the South Carolina Distributed Energy Resources Program Act ("Act 236") and updates on the backlog of interconnection studies and the amount of small residential installations.

The South Carolina Solar Business Alliance

The South Carolina Solar Business Alliance, is organized for the purpose of promoting and advocating public policy positions supportive of solar power generation in South Carolina. SCSBA's more than fifty Trade Members includes solar energy developers, engineering procurement and construction contractors, professional service firms, equipment distributors and equipment manufacturers engaged in the business of solar energy generation in South Carolina and across the nation. All of the SCSBA's Board Members' eight companies maintain offices in South Carolina.

Distributed Energy Resources Implementation Comments

General Comments

- SCSBA is appreciative of the efforts of other parties, this Commission, the South Carolina Office of Regulatory Staff and the South Carolina Utilities, in this matter. SCSBA further appreciates the opportunity to comment and participate in this important matter.
- DER Programs have been successful promoting integration of solar resources.
- South Carolina is expected to be listed as a top ten State, in terms of job growth and increased percentage of solar capacity for 2016.
- It is expected that capacity allotments for each of the Investor Owned Utility's customer sited and utility scale program segments will be met by 2019.
- It is projected that NEM caps will be reached by 2019 or sooner.

SCE&G

- Based on the comments from Mr. Raftery, it appears there is an overwhelming weight toward < 20 kW Residential NEM program adoption compared to commercial BCA program adoption.
- SCSBA suggest a reallocation of a 3rd, 1% stipulated in the Act towards commercial installations.
- Residential Leasing seems to be a major catalyst for the rapid deployment of < 20 kW NEM solar installations.
- Twenty-year leasing products assume NEM will extend past 2025. It should be noted that the financial benefit for consumers is predicated on the assumption that full retail NEM will be in place for the life of the contract.
- Recommend that a stakeholder working group start the process of defining NEM 3.0.

Duke Energy Progress, LLC and Duke Energy Carolinas, LLC

- Based on the Direct comments submitted by Duke, the programs look to be fully subscribed by the end of 2017.
- It should be noted that as of November 15, 2016, Duke has posted notice on its website that the DEC under and over 20 kW blocks, have been fully applied for and as for DEP, over 20 kW block has also been fully subscribed.
- Duke's Table "1" indicates strong program participation in both the < 20 kW residential/small commercial markets, as well as the > 20 kW medium and larger commercial market segments.
- Duke is projected to reach NEM cap by 2019 or sooner.

South Carolina Generator Interconnection Procedure Implementation Comments

General Comments

- Due to a variety of factors, including the success of the DER programs, the declining price of solar, and the Investor Owned Utilities' obligations to buy power from Qualified Facilities ("QFs") under PURPA, SCE&G, DEP & DEC have had substantial increases in the amount of interconnection requests and interconnected solar capacity.
 - This can be seen in projects of all sizes including all project segments contemplated in Act 236, as well as larger DERs that are above 10 MW in size.
- Based on the comments provided by Mr. Hammond and Mr. Raftery of SCE&G and the direct statements from DEP and DEC the amount of interconnection requests that would fall in the, "fast track" process or full study process that would be considered interconnection requests between 100 kW and 1000 kW and QFs seeking distribution or transmission interconnections are similar for both Companies in both quantity and capacity.

- DEP & DEC: 148 projects totaling 1940 MW.
 - This figure does not include the 500 projects seeking net metered interconnections totaling 32 MW.
- SCE&G: 183 projects totaling 2002 MW.
 - This does not include projects under 100 kW that are net metered or fall under BCA.
 - 27 MW are either interconnected or approved to be built.

SCE&G

- The consensus among SCSBA's members is that SCE&G's transition from South Carolina's previous interconnection standard for projects under 100 kW and from the FERC Small Generator Interconnection Procedures and Large Generator Interconnection Procedures for projects over 100 kW to the new South Carolina General Interconnection Procedures has been seamless.

Duke Energy Progress and Duke Energy Carolinas

- Many developers and Engineering, Procurement and Construction Contractors are experiencing significant delays during all phases of the interconnection process. Examples include the following:
 - DEP & DEC are taking more time than allotted in Section 1.2.2, to provide pre-application reports.
 - DEP & DEC are taking more time than allotted in Section 1.3.3, to provide notice of receipt of interconnection requests.
 - Developers have had issues with projects receiving queue numbers in a timely fashion.
 - Developers have not been extended the opportunity to have a scoping meeting
 - Impact studies have taken longer than called for in the standard. In some cases, developers have had projects in queue for over a year with little communication on expected timing.
 - In Section 8 of the Memorandum Of Understanding, the Companies are required to provide interconnection customers notice within two business days with the reason for the failure to meet the deadline and provide a reasonable estimate for the time required to complete the study.
 - SBA members desire more communication and transparency regarding the Companies' implementation of the South Carolina Generator Interconnection Procedures.
- System Impacts related to Circuit Stiffness Review.

- It is the SCSBA's understanding the CSR Review Screen was a unilateral decision on the part of the utilities, after experiences power quality issues on their system in rural areas that had high penetrations of distributed generation.
 - Multiple late stage development projects incurred substantial financial impacts to the degree that a settlement agreement was executed with over thirty projects that would allow them to move forward with the interconnection process.
 - After multiple stakeholder meetings, it was decided that there would be a technical review committee to evaluate the power quality concerns and develop a variety of studies to evaluate potential power quality issues that may be correlated to distributed generation interconnected in areas of low grid stiffness.
 - It is the SCSBA's understanding that these new advanced studies will begin implementation before the end of the year.
- System Impacts related to Dukes implementation of a DSDR System and how it impacts Solar Interconnections.
 - It is the SCSBA's understanding that this is a new screen that was recently implemented and our organization has not had the opportunity to consult with expert consultants to fully vet justification for this screen.
 - The company is holding a stakeholder meeting on December 6, 2016, to further explain the screen.

BEFORE
THE PUBLIC SERVICE COMMISSION
OF SOUTH CAROLINA
DOCKET NO. 2015-362-E

IN RE: Joint Application of Duke Energy)
Carolinas, LLC, Duke Energy)
Progress, LLC and South Carolina)
Electric & Gas Company for Approval)
of the Revised South Carolina)
Interconnection Standard.)

CERTIFICATE OF SERVICE

I, Carrie A. Schurg, an employee of Austin & Rogers, P.A., certify that I electronically mailed a copy of the Coversheet, Comments and this Certificate of Service, in the above referenced matter as indicated below, via electronic mail, on December 1, 2016.

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/S/ _____
Carrie A. Schurg

December 1, 2016
Columbia, South Carolina